

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

STARRED QUESTION NO:546

ANSWERED ON:04.05.2005

LOSSES OF BSNL/MTNL

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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether a confrontation is going on between the BSNL and the MTNL on the issue of the recovery of Access Deficit Charge (ADC);
- (b) if so, the reasons therefor;
- (c) the details of the steps being taken by the Government to compensate the losses being incurred by the BSNL/MTNL each year following the reduction in ADC rates by the TRAI; and
- (d) the losses incurred so far by the BSNL and MTNL following the reduction in ADC rates?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI DAYANIDHI MARAN)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 546 FOR 4TH MAY, 2005 REGARDING LOSSES OF BSNL/MTNL.

(a) & (b) BSNL has raised a demand of Rs. 1840.44 crores against MTNL which includes Interconnection Usage Charges (IUC). MTNL has not agreed to this demand of BSNL. A committee has been constituted by the administrative Ministry of the two public sector undertakings to address the issue.

(c) & (d) On 6th January, 2005, the Telecom Regulatory Authority of India (TRAI) issued a Regulation revising Access Deficit Charge (ADC) regime effective from 01.02.2005. This was part of annual review as announced by TRAI in its last Interconnection Usage Charge (IUC) Regulation effective from 01.02.2004. The new regime envisages reduction in ADC contribution for national long distance calls to 30 Paise from earlier slabs of 30 P, 50 P and 80 P and for international long distance calls it envisages reduction in ADC to Rs. 2.50 per minute for outgoing calls and Rs. 3.25 for incoming calls as earlier ADC of Rs. 4.25 per minute applicable for both incoming and outgoing calls. Further, on Roaming Facility, ADC has been made applicable.

According to TRAI, the amount of ADC to be provided to BSNL is estimated to be Rs. 4954 crores for BSNL, which is comparable with the previous ADC estimations of Rs. 4792 crores. However, BSNL has stated that it would amount to reduction in amount by Rs. 1254 crores. MTNL had filed a petition in TDSAT against the `Regulation` of TRAI prescribing ADC. Matter is still pending. MTNL has assessed a loss of Rs. 276 crores.

At this stage, the exact impact on ADC cannot be estimated due to multiplicity of factors contributing to traffic growth pattern.